



Associate Director for Health
Resources Planning, BHRD

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Acting Director
Division of Regional Medical Programs

Suggestions on Organizational Proposal for New Bureau to
Administer Health Resource Planning Legislation

A clear, precise functional statement is essential to the successful launching of a new organization. Once a unit is operating for some time, responsibilities and organizational relationships become institutionalized and the functional statement is forgotten. Because of this, there is a tendency to underestimate the importance of a carefully written functional statement.

A sound functional statement is needed initially to,

1. avoid or minimize turf problems;
2. insure that responsibilities are assigned for all required and essential functions;
3. provide a basis for developing realistic staffing requirements;
4. provide a basis for writing position descriptions related to actual job and organizational responsibilities;
5. identify needs for coordination between units and for delegation of authority.

After carefully reviewing the current functional statement for the proposed new Bureau and reviewing the comments of the RMP staff, I recommend a complete rewrite. If the present document is allowed to stand, my experience tells me that the new Bureau will be beset with totally unnecessary jurisdictional fights, personnel grievances, staffing imbalances, and emergency, crash efforts to meet overlooked responsibilities.

As you know, our Executive Staff discussions convinced me of the need for a separate Division to oversee the State's regulatory activities, and I recognize and appreciate that the present organizational proposal attempts to incorporate my ideas on evaluation and policy coordination. However, in

my view, the duties and responsibilities of the various units as described in the functional statement, are incomplete and inadequately defined. Among other things, the statement contains overlapping responsibilities. It ignores the functional responsibilities of Regional Offices. It omits important functions (such as approval of State plans, awarding of grants and contracts, annual allocation of funds among the Regional Offices, management and calculation of formulas, required liaison with the Federal-State-Local Data System, etc.), and, further, it fails to mention the Bureau's principal *raison d'être*, financial support for planning and construction.

I think it would be a serious error to establish a new Bureau in such haste that adequate staff-work is ignored. The functional statement, after all, is only the second draft. The statement and organization chart were distributed to the Executive Staff shortly before meeting, and it was discussed with little opportunity for prior study and only the briefest period for comment before being forwarded to Dr. Greene and others. While the current chart appears to represent a generally workable organization, I cannot honestly endorse the functional statement as presently written, and, therefore, would like to suggest some modifications, i.e.:

1. Start out with a general statement in plain English saying what the Bureau does - (a) administers a program of financial assistance for State and local Health Planning through grants and contracts; (b) provides support for construction of health facilities through loans, loan guarantees, and grants; (c) monitors and supports State regulatory programs; and, (d) develops standards, guidelines, and related, technical and other non-financial assistance;
2. Drop the Section on, "Organizational Philosophy." It adds nothing. The reference to a "flat" organization is vague and confusing, and the statement that the Central Office staff will be small is not supported either by the remainder of the functional statement or the numerous detailed requirements of the pending Bills;
3. Specify the functions to be performed by the Regional Offices, and throughout the document note those functions that require prior consultation, concurrence, or approvals among ROs and Headquarters;
4. Eliminate duplicative functions or clearly distinguish between complementary functions which, if not carefully defined, may seem to overlap. For example, the present draft refers to MIS or data functions in the description

of five different units. Evaluation or legislative functions appear in the descriptions of six different offices, and training functions in two. Distinguish between related or complementary functions carried out by different offices by using more precise language to indicate relationships and types of coordination, i.e., "supervises _____," "Approves _____," "Advises _____ concerning _____," "Consults with _____ on _____," "In conjunction with _____ carries out _____," "Subject to prior consultation does _____;"

5. Identify the locus of essential financial and related functions such as formula management, accounting, contract liaison, and financial policy;
6. Take the Congressional correspondence function out of the Policy Coordination Office where it is inappropriate, and create (either within one of the Divisions or separately) a communications staff to manage not only correspondence but also production and distribution of publications as well. Numerous technical assistance documents will be required by Law, and this implies a professional staff to handle editing, format, design, illustrations, printing, etc.;
7. Emphasize EEO throughout the document wherever appropriate. It is not sufficient just to have an EEO function in the Office of the Director. Each unit that deals with grantees or contractors should formally be charged with EEO responsibilities with respect to recipients of Federal funds and with internal upward mobility, career development, women's programs, etc.;
8. Recognize in the organization chart and in the functional statement that the Bureau relates to both the National Advisory Council on Health Policy and the Federal Hospital Council. As a minimum, material relating to the Office of the Director should indicate that he consults with each of these Councils;
9. Identify which Division will be responsible for data processing, advice on data management, and coordination of Bureau and other Federal data systems. At present, data functions are scattered throughout the proposed

organization. The different Divisions will require and use various data and should determine that data is collected, what reports are prepared, and how they are interpreted and used, but experience indicates that unless some kind of processing and coordinating unit is established, competing and duplicative data empires will flourish;

10. Identify responsibility for functions that will be important in the initial stages of the program. Examples would be design and clearance of applications and other forms, establishment of review procedures, development of required regulations, development of terms and conditions for grants and contracts, procedures and criteria for making required findings and determinations, negotiation of conditional designation agreements for State and local agencies, etc. These kinds of activities imply fairly substantial management analysis and contracting functions for the first few years. Changes can be made later as workloads shift. Some mention should also be made of the administration of Section 314, Title VI and Title IX during the transitional period subsequent to enactment;
11. Insure that the total organization, including the Regional Offices, is capable of carrying out all required and intended legislative responsibilities. Over 40 specific requirements for reviews, approvals, determinations, development of materials, etc., are enumerated in the House Bill (excluding the National Advisory Council on Health Policy and the Construction provisions). Some organizational unit should be responsible for each legislatively required function.

I know it is always hard to go back to the drawing board, but in this case, I really think it is necessary. Why rush now and be sorry later? Mr. Gardell and I will help in any way possible, and I know that many of the RMP staff, particularly Mr. Baum, Mr. Teets, Mr. Ott, and Mrs. Silsbee, have ideas and experience that would be useful in thinking through another draft. I am convinced that devoting more time now to setting up a workable organization that covers all the bases in accordance with legislative requirements and expressed Congressional intent will pay off in employee support and satisfaction, creditable Bureau performance, and benefit to the taxpayers.

I am sorry that my absence due to a back injury, in part, has delayed getting these comments to you sooner. In order to expedite matters, I am sending information copies to Dr. Greene and others who received your memorandum of October 8, 1974, and to the Executive Staff.

Herbert B. Pahl, Ph.D.

cc: Dr. Endicott
Dr. Margulies
Mr. Zwick
Mr. Whiteside
Mr. Dyer
Mr. Hanson
Executive Staff--Dr. Graning
Dr. Lindsey

KBaum:emh